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Naomi C Fellows 04/19/2002 01:36:56 PM From DB/Inbox: Search Results

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TELEGRAM

April 08, 2002

To: SECSTATE WASHDC - IMMEDIATE
Action: WHA
From: AMEMBASSY CARACAS (CARACAS 899 - IMMEDIATE)
TAGS: ECON, EPET, ENRG, VE
Captions: SENSITIVE
Subject: PDVSA: MORE SUSPENSIONS
Ref: Caracas 884

RELEASED IN PART
B1, 1.4(D)

1. (U) Unclassified but sensitive; please handle accordingly.

2. (SBU) Summary: Following panic at the gas pumps on April 4, Petroleos de Venezuela (PDVSA) President Gaston Parra and Vice President Diosdado Cabello addressed the nation to assure Venezuelans that there is no need for concern about gasoline supplies. Gasoline supplies on April 5 appear normal and lines are much shorter. The GOV, however, further hardened its position, moving to suspend additional managers from their jobs on April 5. The CTV is expected to hold an emergency meeting Saturday April 6 to decide if it will support a broader strike. The major blue-collar petroleum union, Fedepetrol, is expected to meet on Monday, April 8. Congressional mediator Luis Salas announced his role as mediator has ceased. So far, strike activities have only affected administrative activities and domestic gasoline distribution; exports have not been affected as far as we know.

End

Summary.

B1

3. (U) Reacting to the partial stoppage of PDVSA activities and monumental traffic jams as panicked citizens mobbed gas stations, PDVSA President Gaston Parra addressed the nation the night of April 4 to assure Venezuelans that the government and PDVSA have taken the necessary measures to guarantee domestic gasoline supplies and the dispatch of crude to international markets. Parra also stated that the company was preparing to take disciplinary measures against employees. A taped message from Vice President Diosdado Cabello also appeared on national television periodically through the evening. Vice President Cabello stated that the GOV would stand firm against the PDVSA managers and reiterated that there is no need for concern about gasoline supplies.

4. (U) Following these speeches, the GOV moved the morning of April 5 to suspend four managers in the refinery and distribution areas of PDVSA: Edgar Paredes, Executive Director, Refining Supply and Trading; Andres Riera, Managing Director of Refining; Rogelio Lozada, Manager of the El Palito refinery; and Gabriel Garcia, Deputy Manager of the Puerto La Cruz area. Further suspensions are expected as rumors fly about other managers summoned to company headquarters the afternoon of April 5. In the meantime, gasoline supplies in Caracas on April 5 appear to be normal and the lines at the pumps are considerably shorter.

5. (U) The CTV expressed its support for the PDVSA workers on April 4 and, after the suspensions announced on April 5,

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1

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DATE/CASE ID: 06 JUN 2006 200304421

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is expected to meet on Saturday April 6 to determine its position on a broader strike. The leading blue-collar union, Fedepetrol, is also expected to meet on April 8 to decide its next steps. PDVSA insiders confirm that Fedepetrol's position in support of other PDVSA workers is by no means assured - the GOV is evidently making many promises in advance of the union's upcoming contract negotiations.

6. (U) With no dialogue going on between the parties, Luis Salas, appointed as head of a National Assembly negotiating committee, announced April 5 that his function as mediator has ceased. He noted that the only thing he could recommend would be that the National Assembly summon PDVSA President Parra and Minister of Energy and Mines Silva Calderon to appear before it.

Operations Affected

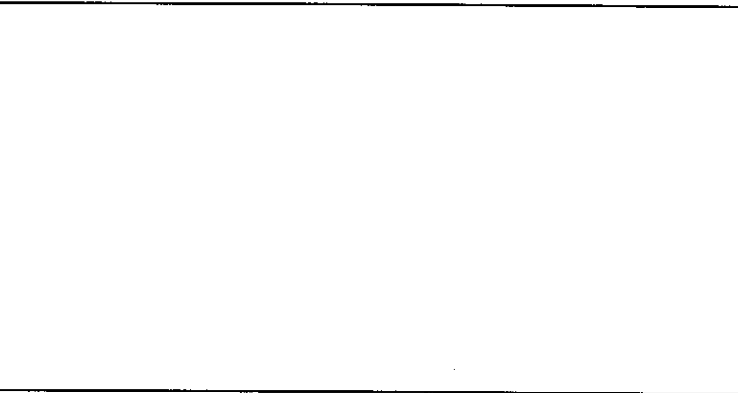
7. (U) Caracas: On April 4, all company administrative buildings were shut down.

Eastern Venezuela: At the Puerto La Cruz refinery, operations were shut down on April 4 in fuel, gasoline, gasoil, kerosene, and aviation diesel fuel. The administration buildings of the refinery were closed in Puerto La Cruz and Guaraguao. The Cryogenic plant in the Jose industrial complex experienced "operacion morrocoy" or

slow-down activities, in the LPG distribution center and at the dock distribution pump. Administrative activities were halted in Anaco. As of April 5, ExxonMobil tells us that some services at the Puerto La Cruz refinery have been restored.

Central Venezuela: The El Palito refinery is completely shut down. PDVSA employees have informed us that the El Palito Workers Assembly voted for an administrative strike which was subsequently upgraded to a full strike following the suspension of the refinery's Manager. The strike reportedly includes pipelines, docks and ground transportation. Given the lack of storage facilities, fields may have to be shut-in if this strike continues for long.

Western Venezuela: Employees voted late on April 4 to join the strike on April 5. We cannot characterize the impact of this decision.



SHAPIRO

Additional Addressees:

None

cc:

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AMEMBASSY PORT OF SPAIN
AMEMBASSY BRASILIA
AMEMBASSY QUITO
AMEMBASSY LIMA
AMEMBASSY BOGOTA
OPEC COLLECTIVE

Distribution:

TED4445

ACTION WHA-00

INFO	LOG-00	NP-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00
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	E-00	FAAE-00	UTED-00	VC-00	FRB-00	H-01	TEDE-00
	INR-00	ITC-01	L-00	VCE-00	AC-01	DCP-01	NSAE-00
	NSCE-00	OES-01	OMB-01	OPIC-01	PC-01	PM-00	PRS-00
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SENSITIVE

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End Cable Text

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3

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